



U.S. Commercial Service Global Automotive Team Quarterly Newsletter - Winter 2014

CONNECTING YOU TO GLOBAL MARKETS

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Focus on: India

India's automotive industry is one of the most significant and fastest growing sectors of the economy, with the components sector alone averaging 20% annual growth. This is driven by a young population and an expanding middle class with a currently low, but rapidly growing rate of motor vehicle ownership. In 2012, India produced 20 million vehicles, making its passenger car and commercial vehicle manufacturing industry the sixth largest in the world.

The automobile and components industry is a priority sector for the Government of India which projects the market will reach \$145 billion by 2016, which is four times its 2006 market size.

As the automotive manufacturing market matures, areas of opportunities for U.S. companies will be in the automotive aftermarket, green technologies and automotive components and accessories areas.

In light of the tremendous opportunities for U.S. companies, the U.S. Commercial Service is organizing an automotive trade mission to New Delhi, Pune, and Chennai, April 24–30, 2014. This mission is a platform for U.S. companies offering these product lines to further business development and sales penetration in India:

- Aftermarket
- Vehicle Performance Enhancement
- Auto Components
- Automotive Care & Maintenance
- Service Parts & Accessories
- Testing and Garage Equipment Products

Read more on the “India Auto Market” [here](#) and see a breakdown of “U.S. Automotive Parts Exports to India” [here](#).

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Trade Event:

Automotive Trade Mission

New Delhi, Pune and Chennai, India, April 24–30, 2014

- Networking opportunities with key business and government leaders in each of these three cities: New Delhi, Pune, and Chennai
- Sales and distributor identification opportunities via one-on-one business meetings with pre-screened Indian companies
- Tours/site visit to leading Auto OEM Manufacturing facilities in Delhi, Pune, the “Detroit of India” and Chennai

For more information click [here](#).

To Apply, download and complete the [mission application](#) and return to kellie.holloway@trade.gov.

Application deadline is January 23, 2014.

Webinar Briefing: India Automotive Market

Venue: Computer

Dates: **December 4, 2013**

Time: 11:00 am – 12:00 pm EASTERN

Cost: Free

Learn more/register: <http://1.usa.gov/1aNIUgR>

Or Contact: kellie.holloway@trade.gov





Upcoming Events

Our worldwide network of automotive specialists in U.S. Embassies and Consulates, and across the U.S., is dedicated to assisting U.S. companies increase exports of U.S. automotive products and services internationally. In that effort, we invite you to participate in the following key events supported by the U.S. Commercial Service. For most updated information, please visit: <http://export.gov/industry/auto/keyevents>

Automechanika Shanghai 2013 – Shanghai, China (December 10–13, 2013) – Join the USA Pavilion to get exposure in the rapidly developing automotive aftermarket in China. The event covers the full range of parts & system, accessories & tuning, repair & maintenance, IT & management, service station & car wash. [More on this event.](#)

Automotive World 2014 – Tokyo, Japan (Jan 15–17, 2014) is the place where U.S. companies can promote their advanced automotive technology to the growing Japanese and Asian automotive manufacturers and parts suppliers. AUTOMOTIVE WORLD is also held concurrently with the following events: CAR-ELE JAPAN, EV JAPAN and WEIGHT REDUCTION EXPO. [More on this event.](#)

Automotive Trade Mission – New Delhi, Pune and Chennai, India. (April 24 – 30, 2014). India's automotive industry is one of the most significant and fast growing sectors of the economy, averaging 20% annual growth. In light of the tremendous opportunities, the U.S. Commercial Service is inviting U.S. companies to join an official automotive trade mission to learn about the Indian market and meet key industry markets. [More on this event](#) or contact kellie.holloway@trade.gov.

Automechanika Middle East 2014 – Dubai, U.A.E. (June 11–12, 2014) Join the USA Pavilion at the leading event for the rapidly developing automotive aftermarket in the wider Middle East and Africa. This trade event covers the full range of parts for motor vehicles, as well as components for the drive, chassis, body, electrics and electronic groups, equipment for vehicle service and repair, bodywork repair and painting, tires, batteries and performance systems. [More on this show.](#)

PAACE Automechanika Mexico 2014 – Mexico City, Mexico (July 9–11 2014). Join the USA Pavilion at Mexico and Central America's most important trade event for the Automotive Aftermarket. [More on this show.](#)

Automechanika Frankfurt 2014 – Frankfurt, Germany (September 16–20, 2014). Join the USA Pavilion at the world's largest automotive trade show. Held bi-annually in Frankfurt, the event draws thousands of attendees in the automotive industry from around the world. Held with the support of important industry associations, Automechanika has become a growing platform for the automotive business in the German and European markets. [More on this show.](#)

IZB International Supplier Fair – Wolfsburg, Germany (September 23–26, 2013). Fair is a great opportunity to present your products to a qualified and specialized audience of OEM executives in Germany. Exhibition space is selling fast! CS Frankfurt will in attendance to counsel U.S. companies. [More on this show.](#)



Market Research

Our specialists abroad develop market research to help you evaluate markets for your automotive products and services. Research ranges from short reports on areas of opportunity to detailed market and sector reports. Below are a few examples of our recent market research reports available at NO COST. Download them from our website – <http://export.gov/mrktresearch/>– or contact [your local trade specialist](#) and ask for latest reports.

Europe: Motorcycle Market Brief, November 2013

The European motorcycle market is rapidly changing. There are increases and decreases in sales varying from one European country to another. Products vary across inter-EU lines, and a possible end to the EU recession may boost sales in a wide range of products. Our market briefs cover the motorcycle market in the following countries: Austria, Belgium, Czech Republic, Finland, France, Germany, Greece, Hungary, Israel, Italy, Netherlands, Slovak republic, Spain, Sweden, Turkey, United Kingdom, and European Union as a whole. [Read the report.](#)

France: Hybrid Vehicles Market, August 2013

The green vehicle sector is continuously growing in France. The government has launched a number of incentives to develop an environmentally friendly automobile sector, including subsidies and a program for trading in old vehicles for vehicles with less CO2 emissions. Due to budget constraints, the elimination of tax-incentives and the end of the used vehicle trade in program have endangered the success of the green vehicle sector. [Read the full report.](#)

Trends in U.S Vehicle Exports, July 2013

In 2012, the top five export markets for light vehicles (by units) assembled in the United States were: Canada, Mexico, Germany, Saudi Arabia, and China (see Table 1 for a list of the top 25). U.S. exports to each of these markets increased in 2012 in comparison to 2011. While exports to Canada increased a modest 2 percent to 748,094 units, the remaining destinations all had double digit increases. Exports to Mexico increased 13 percent, exports to Germany increased 15 percent, exports to China increased 22 percent, and exports to Saudi Arabia increased 28 percent. Exports to non-NAFTA countries have nearly tripled since 2009, rising from 375,676 units to 1,006,112 units in 2012. Exports to Canada and Mexico were 48 percent of U.S. total light vehicle exports. As recently as 2009, Canada and Mexico accounted for 64 percent of U.S. vehicle exports. [Read the full report.](#)

Panama: Top Export Prospect, May 2013

In 2012 the market for new cars in Panama recovered with 50,000 new cars sold. This has caused an increase in demand for automotive parts and service equipment. There is a progressive sales tax based on the value of the car. The U.S.–Panama Trade Promotion Agreement has not given the U.S. a competitive advantage due to the progressive tax, but it there is a competitive advantage for U.S. sellers of automobile parts and service equipment, which can enter Panama duty-free. [Read the full report.](#)

Exports, Jobs, and Foreign Investment. See the impact of international trade on your State's economic infrastructure: <http://www.trade.gov/mas/ian/statereports/>

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Trade Leads

To ensure timely response and follow up, please copy [your local trade specialist](#) when pursuing any of the following leads.

- A **Lebanese** firm is looking to import automotive parts and components of US–Manufactured models of Mercedes and BMW automobiles. Please contact Naaman.Tayyar@trade.gov for more information.
- A buyer in **South Africa** wants to import V8 Engines typically used to power muscle cars and sports vehicles. The South African buyer wants to establish a long term relationship, and seeks an indefinite consistent supply. For more information, please contact jaisvir.Sewpaul@trade.gov
- A buyer in **The Netherlands** is looking to import air–conditioning compressors, starters and alternators, headlights, and alloy wheels. Interested U.S. manufactures should contact Natasha.Keylard@trade.gov for more information.
- An Auto Assembly Plant in **Kazakhstan** is seeking to import reach stackers. The company will accept used/ refurbished stackers. For more information please contact azhar.kadrzhanova@trade.gov
- A state–owned **Tunisian** mining company is seeking to source Shunting Locomotives for the rail transport of phosphate. For more information please contact aouadhis@state.gov
- A **Chinese** auto–manufacturing company is looking to import rearview mirrors for coach busses. They are seeking to establish a long term relationship. For more information please contact dongmei.sun@trade.gov
- **Afghan** Ministry of Public works is looking for 3 US companies that can provide them with quotes for portable weigh stations and scales. For more information contact Sophie.DeMartine@trade.gov
- A City bus transportation company in **Cameroon** is looking to import city busses. For more information please contact yanajp@state.gov

Billions of dollars' worth of international projects are funded every year through the World Bank and the various multilateral development banks (MDBs). [Learn more about these Opportunities](#)

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In The News

Singapore - GM Moves to Target Next Growth Frontiers

US automaker General Motors Company (GM) has announced that it is shifting its international headquarters from Shanghai to Singapore as part of its strategy to increase its focus on rapidly growing foreign markets. The new Singapore headquarters, which is slated to open in Q214, will house 120 employees and oversee GM's regional markets such as South East Asia (SEA), Australia, Africa, India and the Middle East. We believe GM's decision to move its international headquarters from Shanghai to Singapore is aimed at positioning itself to strategically target the next growth markets in the region as the Chinese market slows down. At first glance, this move may seem puzzling. GM is the industry leader in China and has a joint venture with the largest Chinese state-owned automaker, SAIC Motor. China is a strategically important market for GM and accounts for 30% of the automaker's sales. Slower Chinese economic growth is predicted over the coming years forecasted by our Country Risk team, as well as the country's ageing demographics which could curtail demand for cars. As a large number of young people in SEA enter the workforce in these economies in the near future, they will add to the ranks of the fast growing middle-class consumers, a segment which will provide strong demand for passenger cars.

Singapore – Autos – 15 Nov 2013 – General Motors Company; © 2013 Business Monitor International Ltd

Australia - Auto Industry At A Crossroads

As Australia's new Liberal-National coalition government reassesses the financial assistance pledges made to OEMs under the previous Labor-led federal government, we see the industry at a crossroads, as the failure to secure sufficient financial assistance could see the withdrawal of one or both of the remaining local automakers. Despite the adverse impact on jobs, some politicians from the Liberal-National coalition remain against further taxpayer handouts to auto manufacturers. As locally produced cars wrestle with cheaper imports, while the expensive local currency obstructs the industry's exports from making headways in the global market, the outlook for future production looks tenuous at best, and as such, it is unsurprising that the coalition government is reassessing pledges made to original equipment manufacturers (OEMs) previously. Although GM's workers have agreed to a wage freeze should the firm stay on beyond 2015, the automaker's decision to continue its local manufacturing operations remains contingent on receiving an adequate subsidy for the improvement of facilities from the federal government, preferably before the end of December 2013. The high cost of labor and an uncompetitive Australian dollar are perennial problems, which plague the entire supply chain of the Australian auto industry. As such, the scrapping of the carbon tax will do nothing to address these issues.

Australia – Autos – 05 Nov 2013 – Ford Motor; © 2013 Business Monitor International Ltd

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